



**Valley Forge Convention Center Partners, L.P.**  
d/b/a Valley Forge Casino Resort (“VFCR”)  
License Renewal Hearing



September 23, 2015



# Opening Statement & Introductions

Robert Pickus, Executive Chairman of the Board

James Rigot, President & Chief Executive Officer

Alex Figueras, Vice President of Finance

Gilbert Morrissey, Executive Director of Security

Janet Maugans, Compliance Manager

Barbara Evans, Ownership Group Representative



# Agenda

- Introduction of James Rigot
- Application and Development Timeline
- Economic Impacts
- Workforce Development and Diversity
- Enhancements to Compliance Functions
- Compulsive and Underage Gambling Prevention
- Good Neighbor Commitments and Community Service
- Facility Improvements and Future Investment
- Tourism Impact
- Conclusion and Introduction of Community Speakers



# JAMES A. RIGOT

PRESIDENT & CEO, VALLEY FORGE CASINO RESORT

## ***Experience***

<i><b>EMPLOYER</b></i>	<i><b>POSITION</b></i>	<i><b>PERIOD OF EMPLOYMENT</b></i>
Hollywood Casino Baton Rouge	General Manager	November 2011 – April 2015
Parx Casino	Vice President of Table Games	July 2011 – November 2011
Trump Plaza Hotel and Casino	General Manager	September 2005 – October 2010
Borgata Hotel Casino and Spa	Vice President of Casino Operations	September 2002 – September 2005
Foxwoods Resort Casino	Vice President of Casino Operations	September 1999 – August 2002
Trump Plaza Hotel and Casino	Exec. Vice President of Casino Operations	November 1994 – February 1999
Tropicana Hotel & Casino	Vice President of Casino Table Games	July 1989 – November 1994
Merv Griffin's Resorts Casino	Assistant Casino Manager	January 1989 – July 1989
Trump Plaza Hotel and Casino	Executive Host	September 1983 – January 1989
Harrah's Hotel Casino	Pit Boss	October 1980 – September 1983
California Hotel & Casino	Pit Boss/Floorperson/Boxperson/Dealer	February 1976 – June 1980
United States Air Force		January 1972 – January 1976



# Application and Development Timeline

06/29/2007	Application Date
10/16/2007	Eligibility Hearing
05/20/2008	Public Input Hearing
10/22/2008	Suitability Hearing
Fall 2008	Global Credit Crisis
01/21/2009	Board Reopened the Record for Additional Information
Feb-09 and Apr-09	VFCR Supplemental Presentations to Board on Financing
04/08/2009	Board Awarded Category 3 License to VFCR
05/08/2009	Board Issued Adjudication
06/05/2009	Appeal to PA Supreme Court
10/21/2009	Oral Arguments at PA Supreme Court
03/08/2011	Decision Issued by PA Supreme Court
Mar-11 to Mar-12	VFCR invests \$145.6 million to renovate the facility*
03/31/2012	Grand Opening of Valley Forge Casino Resort

❖ *The \$145.6 million budget represents an increase of \$38.6 over the original proposed amount of \$107 million.*



# ECONOMIC IMPACTS





# Commonwealth Fiscal Impact from VFCD

## ANNUAL TAX AND LICENSE REVENUE (\$ MILLIONS)

	2012	2013	2014
Slot Gaming Tax	\$19.6	\$33.9	\$39.3
Table Gaming Tax	\$3.4	\$5.3	\$4.8
<b>Total Gaming Tax</b>	<b>\$23.1</b>	<b>\$39.2</b>	<b>\$44.1</b>
Total Gaming Taxes			\$106.4
One-Time Gaming Licenses Fees			\$12.5
Tax Generated from Construction			\$1.9
Non-Gaming Taxes from Operations			\$4.2
<b>Grand Total for Period:</b>			<b>\$125.0</b>

*Source: Econsult Solutions (2015)  
Results may not add due to rounding*



# Economic Impacts from Initial Capital Investment

## ONE-TIME ECONOMIC IMPACTS ATTRIBUTABLE TO CONSTRUCTION SPENDING (\$ MILLIONS IN 2010 DOLLARS AND TOTAL JOBS)

Description	Montgomery County	Commonwealth of Pennsylvania
<b>Total Output</b>	<b>\$80.7</b>	<b>\$113.3</b>
Direct Expenditures	\$49.0	\$50.7
Indirect and Induced Expenditures	\$31.7	\$63.3
<b>Total Employment</b>	<b>357</b>	<b>866</b>
<b>Total Earnings</b>	<b>\$15.6</b>	<b>\$37.3</b>

*Source: Econsult Solutions (2015)*  
*Results may not add due to rounding*  
*Total Employment includes part-time and full-time jobs*





# Local Fiscal Impact from VFCD

## TOTAL LOCAL TAX AND FEE REVENUE (\$ MILLIONS DOLLARS)

	2011	2012	2013	2014	Total
Construction Permits and Fees	\$2.0				\$2.0
Increased County Hotel Taxes	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1
Local Gaming Taxes	\$0.0	\$2.3	\$3.9	\$4.3	\$10.4
<b>Total</b>	<b>\$2.0</b>	<b>\$2.3</b>	<b>\$3.9</b>	<b>\$4.3</b>	<b>\$12.5</b>

*Source: Econsult Solutions (2015)  
Results may not add due to rounding*



# Ongoing Economic Impacts from VF CR

ONGOING ECONOMIC IMPACTS ATTRIBUTABLE TO VALLEY FORGE CASINO RESORT  
2013-2014 ANNUAL AVERAGE  
(\$ MILLIONS IN 2010 DOLLARS AND TOTAL JOBS)

	Casino	Hotel	Capital Investments	Ancillary Spending	Total
<b>Montgomery County</b>					
Total Output	\$33.2	\$7.3	\$6.1	\$11.2	\$57.8
Direct Expenditures	\$20.3	\$4.4	\$3.6	\$6.8	\$35.1
Indirect and Induced Expenditures	\$12.9	\$2.9	\$2.5	\$4.4	\$22.7
Total Employment	169	58	27	81	335
Total Earnings	\$4.8	\$1.9	\$1.2	\$1.9	\$9.8
<b>Commonwealth of Pennsylvania</b>					
Total Output	\$40.3	\$9.3	\$8.6	\$13.9	\$72.1
Direct Expenditures	\$20.3	\$4.4	\$3.6	\$6.8	\$35.1
Indirect and Induced Expenditures	\$19.9	\$4.9	\$4.9	\$7.2	\$37.0
Total Employment	465	109	65	157	795
Total Earnings	\$13.3	\$2.6	\$2.8	\$4.1	\$22.8

*Source: Econsult Solutions (2015)  
Results may not add due to rounding*

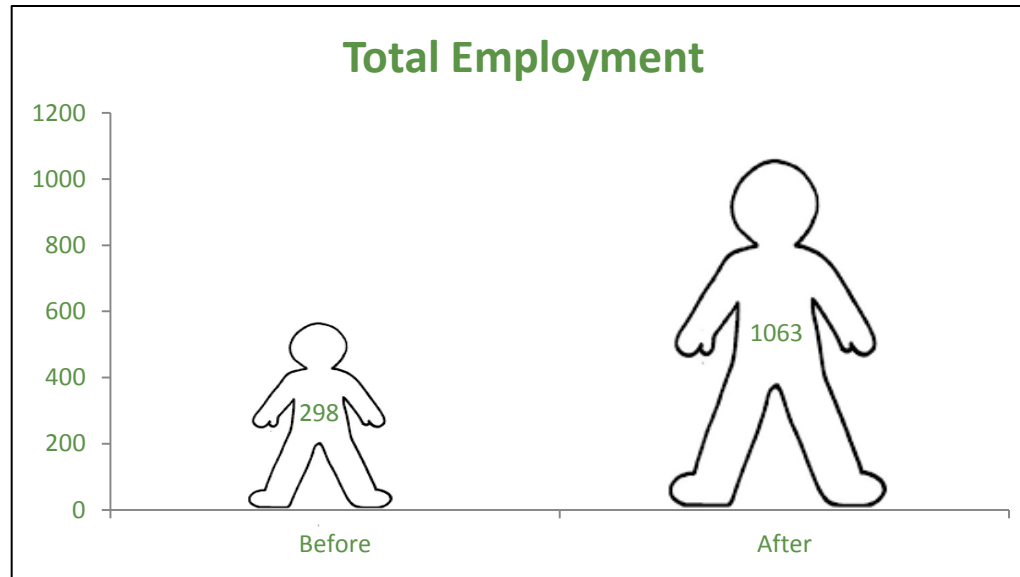


# WORKFORCE DEVELOPMENT AND DIVERSITY





# Direct Employment at the Facility

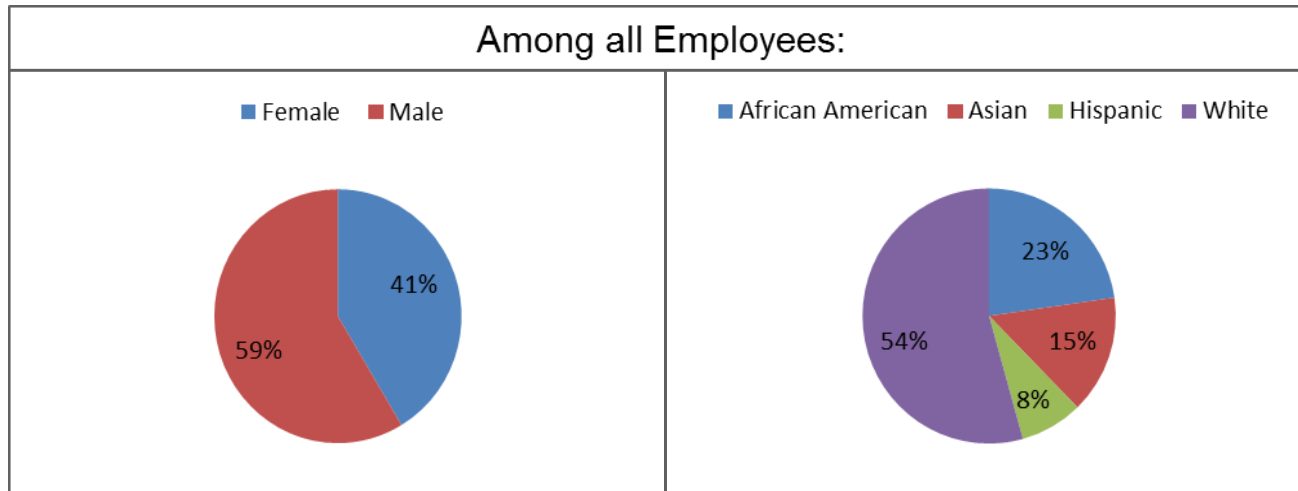


Headcount	Before	After
Casino	0	757
Non-Gaming	298	306
Total Employment	298	1063

- ❖ The Casino contributed 765 Additional headcount to the overall property employment total
- ❖ Source: VFCD internal data as of June 30, 2015



# A Diverse and Local Workforce



All Executives (Directors +)	
Female	21.70%
Minority	13.00%
All Management (Managers and Supervisors)	
Female	37.30%
Minority	28.60%
All Professionals (All other salaried)	
Female	51.40%
Minority	27.00%



# Purchasing *Diversity And Local Impact*

## Non-Construction Gaming Service Providers

Year	LBE	MBE/WBE	Total
FY 11/12	\$15,379,779	\$401,008	\$30,801,607
FY 12/13	\$7,644,035	\$1,287,320	\$13,590,406
FY 13/14	\$11,718,371	\$2,670,499	\$21,911,284
FY 14/15	\$11,766,315	\$2,880,745	\$23,593,498

## Construction Gaming Service Providers

Year	LBE	MBE/WBE	Total
FY 11/12	\$36,063,044	\$363,006	\$36,426,050
FY 12/13	\$3,966,658	\$0	\$3,966,658
FY 13/14	\$0	\$0	\$0
FY 14/15	\$592,691	\$0	\$592,691

- ❖ *LBE – Local Business Enterprise*
  - ❖ *Businesses located in the host county or a contiguous county*
- ❖ *The terms MBE and WBE are commonly used to refer to:*
  - ❖ *Minority Business Enterprise and Women Business Enterprise.*





# ENHANCEMENTS TO COMPLIANCE FUNCTIONS





# Enhancements to Compliance Functions

- New Executive Chairman of the Board
- New Outside Regulatory Counsel
- Replaced and Increased Staffing of Compliance Department
- New Leadership and Staffing of Marketing Department
- New and More Robust Access-Related Training for Gaming and Non-Gaming Employees
- Improvements to data available at access gates and with access cards
- Expanded Ethics Training for Employees and New Employee Ethics & Compliance Hotline
- Hosting the first Pennsylvania Security Directors' Conference, April 21, 2015





# COMPULSIVE AND UNDERAGE GAMBLING PREVENTION





# Compulsive and Underage Gambling Prevention

- Over 20 signs posted throughout the property and Compulsive & Problem Gambling collateral available at 7 different locations throughout the property
- Education of all employees on responsible gaming beginning at new hire orientation and then annual refresher training
- Spending \$10,000 annually for employee training, printing signage, printing brochures and literature, reinforcement training sessions, outside presenters as necessary, sponsorships/memberships, outreach and incidental fees associated with Plan





# GOOD NEIGHBOR COMMITMENTS AND COMMUNITY SERVICE





# Exceeded Local Commitments to Upper Merion Township

- Contributed \$625,000 to Upper Merion Township for area traffic improvements instead of the \$415,000 originally committed during the original application
- Makes an annual community benefit contribution (adjusted every year by CPI), which was \$142,500 in 2014 instead of the \$75,000 committed during the original application
- Improved the facility's parking lot
- Provided additional emergency training for Valley Forge personnel
- Installed booster equipment at the complex to improve police radio and cell phone reception





# Upper Merion Township – Board Of Community Assistance ("BCA")

- Contributed **\$434,370** to the BCA over the last **4** years (2012 – 2015)
  - Awards grants to worthy community welfare and youth sports organizations, as well as college and trade school scholarships to graduating seniors
  - **52** grants to organizations to date
  - **36** scholarships to date





# Board Of Community Assistance:

## *Representative Beneficiaries*

Upper Merion Tree Tenders Valley Forge Convention & Visitors Bureau Neighborhood Meals on Wheels Upper Merion Skate Park Feel The Warmth Upper Merion Emergency Aid - Back to School Project Swedesburg Volunteer Fire Company Candlebrook Elementary School Daisy Girl Scout Troop #7157 Caley Elementary School Playground Rotary Club of King of Prussia - Literacy Program Upper Merion Farmer's Market Valley Forge Optimist Club Upper Merion Special Education Parent Resource & Interest Group Upper Merion Mother's Club - Operation Backpack Laurel House - Domestic Shelter	Roberts Elementary School - Learning Garden Outdoor School in Horsham Upper Merion Middle School - STEM Upper Merion High School - Literacy Night Upper Merion Police Department - Radio Project Upper Merion Foundation - Concert Under the Stars Elmwood Park Zoo Upper Merion Senior Service Center Upper Merion Stingrays Swim Team Upper Merion Aquatic Club Upper Merion Lacrosse Club King of Prussia Soccer Club Upper Merion Youth Field Hockey Communities in Motion - Solar Car Challenge Upper Merion Park & Historic Foundation
---	--



# Charitable Contributions

<b>FISCAL YEAR</b>	<b>AMOUNT</b>
<b>2011 – 2012</b>	<b>\$88,060</b>
<b>2012 – 2013</b>	<b>\$220,145</b>
<b>2013 – 2014</b>	<b>\$177,500</b>
<b>2014 – 2015</b>	<b>\$228,971</b>
<b>TOTAL</b>	<b>\$714,676</b>

❖ *The totals above include the Board of Community Assistance amounts.*



# Community Involvement and Service

- Over **400** employees gave their time and resources to support over **26** community events and charities in 2014 alone
- Valley Forge contributed close to **half a million dollars** to local charities and organizations who work to provide needed services to our local community
- In March 2015, established a partnership with the **Alzheimer's Association**







# **FACILITY IMPROVEMENTS AND FUTURE INVESTMENTS**



# Facility OLD





# Facility NEW





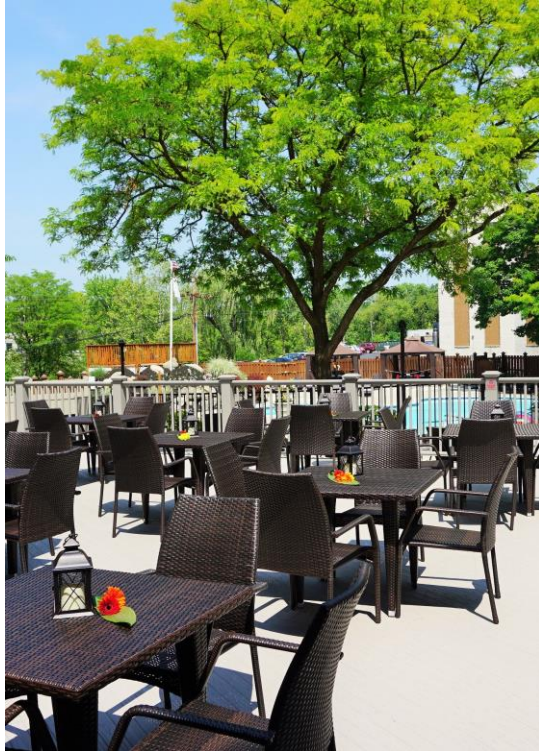


# Facility NEW





# Facility NEW



- Valley Beach Poolside Club launched Memorial Day weekend
  - Open all summer until October





# Facility FUTURE

COMING FALL 2015

**LPSTEAK**

*Luke Palladino*

VALLEY FORGE  
CASINO  
RESORT

Gambling Problem? Call 1-800-GAMBLER.

A LEVEL ABOVE



Coming Oct 2015



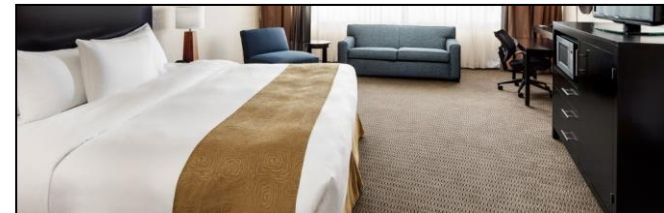
# Property Amenities

- Casino
  - **50** live Table Games; including Blackjack, Craps, Roulette, Pai Gow Poker and Baccarat
  - **600** popular Slot machines



- Hotel
  - Casino Tower & Radisson Tower
  - Combined total of **485** rooms

- Convention & Meeting Space
  - Major Convention Center with **54,000** square feet of exhibit space
  - **43,000** square feet of meeting, banquet and convention space





# Property Amenities

- 10 high-end Restaurants and Bars



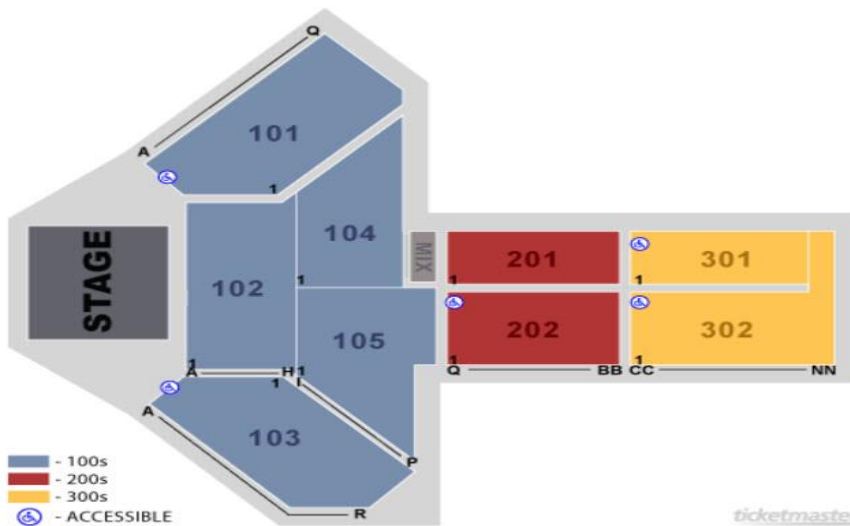
- Major music and entertainment events
- A fully equipped business center, an outdoor swimming pool, a newly renovated fitness center, health spa



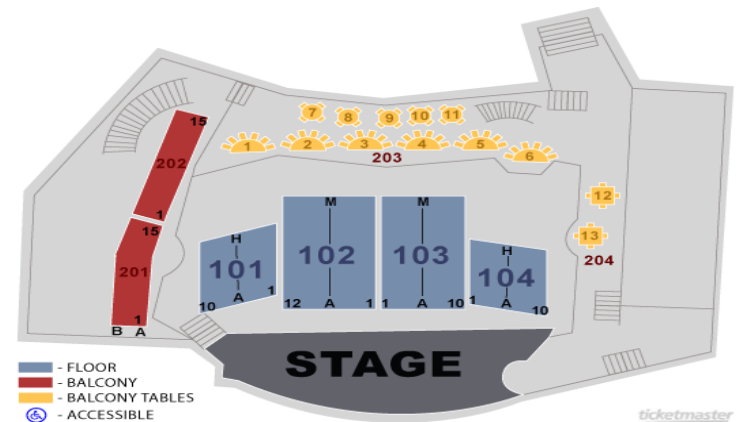


# Major Entertainment Events

## Convention Center (1,805 Seats)



## The Venue (570 Seats)



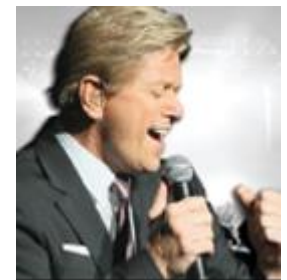


# Major Entertainment Events

## Valley Forge Music Fair



Smokey Robinson	12/13/2014
KC & The Sunshine Band	1/24/2015
Dave Attell	2/6/2015
Josh Turner	3/28/2015
Jenny McCarthy	4/10/2015
Heart	5/22/2015
Frank Sinatra Jr.	5/23/2015
A Bronx Tale	5/28/15 - 5/29/15
Aaron Lewis	6/26/2015
Thunder From Down Under	7/11/2015
Jim Breuer	7/24/2015
Air Supply	8/7/2015
Don Rickles	8/8/2015
Whoopi Goldberg	10/10/2015
Peter Cetera	10/11/2015
Paula Deen	10/17/2015
Go Go Gadget	10/30/2015
Artie Lange	11/28/2015
Kenny Rogers	12/18/2015

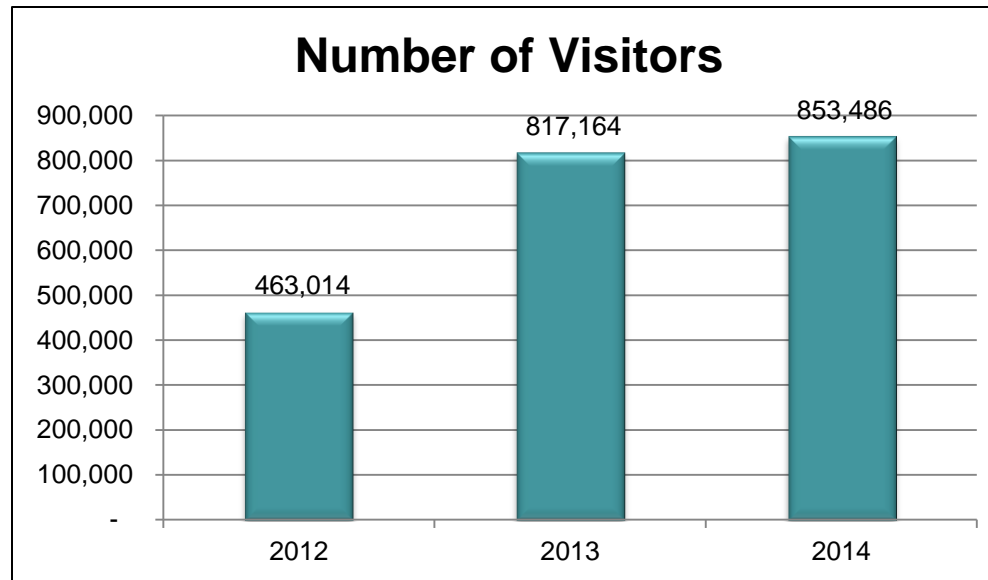




# **TOURISM IMPACT**



# Tourism Impact



- The # of Visitors grew **76%** from 2012 to 2013 and then grew another **4%** from 2013 to 2014
  - Includes Hotel guests, Player Club Members, and individuals attending Conventions, Entertainment shows and other events
- More than half of VFCR's visitors were found to reside in locations more than **20 miles** from the facility



# Valley Forge Tourism & Convention Board

- As recognized by the Valley Forge Tourism & Convention Board:
  - VFCR has "burnished the perception and image of the region as a destination;"
  - VFCR marketing initiatives . . . . . "[give] us a unique asset to reach potential markets;"
  - VFCR's "array of nighttime and sports entertainment adds additional variety to our entertainment options;"
  - "[d]ata show an increase in leisure business attributable to the VFCR presence in the market . . . . . [w]eekend occupancy grew 5.6 percent in the King of Prussia area through July 2014;" and
  - "[o]n the convention side, the gaming amenities at the VFCR are a determining factor in show producers deciding to hold their trade shows here."



# QUESTIONS